

Subject: Good News from LADBS!

From: "Bud Ovrom" <LADBS.Newsletter@lacity.org>

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www.ladbs.org

**Special Points of
Interest**

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**LADBS
Construction
Service**

Message from the General Manager



Monthly Statistics

February was another good month for new construction. Total Building Permit Valuation for the month was \$281.1 million – up 70% from \$165.2 million last month and up 20% from \$234.4 million for February 2011.

Our year-to-date total is 1% below last year at this time (\$1.993 billion vs. \$1.964 billion) but that is simply because of a particularly big spike in new construction in December 2011 and January 2012 due to the massive LA International Airport project.

Private sector activity continues to move along at a good clip, primarily due to new multi-family residential projects. We had 602 new units started in February, up 198% from 202 units last February. Our year-to-date total is now 4,345 new housing starts, up 52% from the 2,850 units as of the end of February 2011.

Plan Check revenue, our best indicator of future work, is up 10% over this time last year and total revenue is up 9% as we head into the budget season!

Because staffing levels are still at the 2008 level, we are starting to see longer delays at the counters, in Plan Check and with Inspections. But we are optimistic about being able to address these needs in the budget process, which will play out during the next couple of months.

Centers



Downtown

201 N. Figueroa
Street
Los Angeles, CA
90012
(Figueroa Plaza)

West Los Angeles

1828 Sawtelle
Blvd.
2nd Floor
Los Angeles, CA
90025

South LA

8475 S. Vermont
Ave.
2nd Floor
Los Angeles, CA
90044

Van Nuys

6262 Van Nuys
Blvd.
2nd Floor, Room
251
Los Angeles, CA
91401

San Pedro

638 S. Beacon
Street
Room 276
San Pedro, CA
90731

Counter Hours:

Monday, Tuesday,
Thursday, Friday:
7:30 am - 4:30 pm
Wednesday: 9:00
am - 4:30 pm
* San Pedro &
South LA offices
are closed
between noon -
1:00 pm daily

For Information
you call:
3-1-1 (Inside LA
City) or
(213) 473-3231
(Outside LA
City)

Focus on Housing

In almost every newsletter of this fiscal year we have noted that the growth in new construction has been led by residential projects. In this newsletter we take a closer look at historical housing construction trends in Los Angeles. The collapse of the housing market in 2008 played a major role in the Great Recession. The slow but steady construction of new residential projects, particularly multi-family, have been a very important component in the current economic recovery.

More Job Producing Projects

In this newsletter we are pleased to profile two more job and revenue producing projects: Madison Marquette has very creatively redeveloped the historic Continental Graphics Building into 84,000 sq.ft. of retail, restaurants, creative offices and galleries in a new project called District La Brea (Council District 5). California Home Builders has recently completed 57 new single-family homes in a small lot subdivision in Pacoima (Council District 7) The Village at Pierce is also the first such subdivision in Los Angeles that comes with every home equipped with solar electric service as a standard feature. We hope you will enjoy learning more about both of these great projects.

Meet Ken Gill

Plan Check is our best early indicator of future new construction. With development on the upswing, our Engineering Bureau has been under a lot of pressure to keep up with the workload because they continue to be hard hit by the staffing reductions, which took place during the budget crisis in 2009-11. One of the key players in this essential service is Ken Gill, Assistant Bureau Chief of the Engineering Bureau. We are proud to profile Ken in this newsletter.

Focus on Housing

The graph at the bottom of this page gives a dramatic picture of the rollercoaster ride of residential development in Los Angeles over the last 20 years.

The first term of the Villaraigosa Administration was the highest four years in the recent history of the City for new housing construction -- with 43,541 housing starts.

When the Great Recession hit in 2008, we saw a staggering tumble from 15,174 new housing starts in 2005-06 to only 3,573 units in 2009-10, a reduction of 76%!

It is interesting to note that as bad as things got in FY2009-10, with only 3,573 housing starts, it was still not as bad as the last big housing slump in the mid-1990's, when the number of housing starts never broke above 2,750 per year for each of the four years of Mayor Riordan's first term.

After 8 months of this Fiscal Year, we have had 4,345 new housing starts and expect to finish the year (on June 30, 2012) over 6,500. Based on proposed developments we have in Plan Check and in the pipeline, we expect to hit about 7,550 units next Fiscal Year (July 1, 2012-June 30, 2013).

By some estimates, the city should be building about 12-13,000 units per year to deal with normal population growth, over-crowding and a deteriorated housing stock in many of our neighborhoods. However, the only time that number has been achieved in the last 20 years was in FY 05-06 and FY 06-07. And, it does not look like we will again see that large of a number in the near future.

The trend continues to be heavily tilted toward multi-family construction (LADBS does not track the distinction between rental apartments and ownership condos nor market rate vs. "affordable". From our construction perspective, they are all simply new housing starts). We do track single vs. multi-family housing. Of the 4345 units started in the first 8 months of this fiscal year, 518 are single-family residences and duplexes, while 3,827 are in multi-family projects. With the price of gasoline hitting \$5/gallon and other social and environmental factors, we expect to see this trend continue toward higher density housing closer to transportation hubs and where jobs are concentrated. The high economic, social and environmental "cost" of suburban sprawl is clearly starting the pendulum to swing the other way.

How to interpret these numbers probably depends if you are a "glass half full" or a "glass half empty" sort of person! The optimist will see that we have already hit the bottom and are now projected to double the amount of production from our low point in 2009-10. But as for the pessimist, it is easy to note that 7,550 units are only about half as many units as were built in

FY2005-06. Developers, by their very nature, are optimists - development is inherently a bet on the future!

As with so many aspects of this economic recovery, things are clearly improving, but we still have a long way to go.



[Click to enlarge](#)

District La Brea



La Brea, an adaptive re-use development project on La Brea Avenue

Madison Marquette's redevelopment of the historic Continental Graphics building in Los Angeles' Council District 5 is changing the block into a new creative collective destination called District La Brea. The project features eleven buildings encompassing 84,000 square feet between 1st and 2nd Street on South La Brea Avenue to create a true urban district and destination for retail, restaurants, galleries and creative offices that blend well with the existing neighborhood.

"We are carefully curating the LaBrea experience to build on the history of

both the site and the neighborhood. We're looking to expand a little bit of SoHo that has existed on La Brea," said Tom Gilmore, Executive Vice President of Madison Marquette.

Madison Marquette has already signed and opened several retail and food concepts at LaBrea. **Feal Mor**, a boutique showcasing a collection of French and Japanese menswear, **What Goes Around Comes Around**, a famed vintage purveyor, **Sycamore Kitchen**, Quinn and Karen Hatfield's second concept and most recently Austin based restaurant group, **La Condesa**. In addition, LaBrea is hosting pop up boutiques with unique concepts that are expanding their brand, **Shelter Half** and **Heather Heron**.

LaBrea offers a 125-space, three-story parking structure on the corner of Second Street and La Brea Ave., as well as a 44-space parking lot on First Street. The parking is an added asset to the project and neighboring businesses.

Customers can follow LaBrea's updates, tenant deals, insider promotions, and special events on <http://www.districtlabrea.com>.

California Home Builders' Village at Pierce



California Home Builders held an official grand opening on February 28th for their Village at Pierce project in Pacoima (Council District 7). This is the first residential project in the City of Los Angeles where each home will be equipped with solar electric service as a standard feature.

The Grand opening was held at the project with over 150 guests including

subcontractors, suppliers and manufacturers, escrow, title companies, and others who were involved in the project. Also in attendance were **Mayor Villaraigosa**, **Councilmember Richard Alarcon**, and other officials. The Mayor thanked **Shawn Evenhaim**, the CEO of California Home Builders, for finding innovative ways to continue to build in LA and providing the American Dream to new homeowners.

California Home Builders was established in 1994 by Shawn Evenhaim. Since its establishment it has built many residential projects in LA specializing in in-fill development. Evenhaim stated in his remarks that when he saw the economy slowing down, he decided that he will make adjustments and find ways to develop communities that he can sell. He knew that the buyers will buy a quality home at an affordable price and if the home will be an eco-friendly home, it's even better. "The Village at Pierce was exactly what buyers were looking for and that's why we sold 20 homes in just a few months." "We are excited to stimulate economic growth by creating jobs and building eco-friendly homes with solar power service to homeowners in the Village at Pierce. We are proud to do our part to keep America working," said Mr. Evenhaim.



Shawn Evenhaim and Mayor Villaraigosa

Fourteen homes have been completed and twenty eight homes are under construction at this small lot subdivision project. They have partnered with a solar company to install solar panels as a standard feature on all 57 homes. Homeowners will lease the system for a fixed monthly rate and will not pay for installation or maintenance of the system. The homeowners will pay a fixed monthly rate that will be lower than what they would pay their local utility for the same amount of energy — and are doing something good for the environment at the same time.

CHB's vision is to keep the American Dream alive by "building homes and creating jobs," said Evenhaim and this is reflected in the street names they have chosen for the Village at Pierce - Dream Lane, Inspire Lane, Believe Lane and on by the banner they post at all their projects that reads "Keeping America Working".

For additional information about Village at Pierce or California Home Builders, please visit their website at <http://www.calhomebuilders.com/>.

Ken Gill



Ken Gill
Assistant Chief of Engineering Bureau

Ken Gill was born in India. He obtained a Bachelor's degree in Civil Engineering from L. D. Engineering College, India in 1982. Upon graduation, he worked in a construction company supervising construction of industrial buildings and was part of the biggest water dam project in India.

Ken emigrated from India to the United States in 1984 and worked in a private firm designing several buildings. He obtained a Masters Degree in Structural Engineering from Cal State Long Beach University and became a Licensed Civil and Structural Engineer. In 1987, he began working for the City of Los Angeles in the Office of Land Records as an Office Engineering Technician. Within six months, he was promoted to the Department of Public Works as a Civil Engineering Assistant and the next year was promoted to the Department of Building and Safety as a Structural Engineering Associate I. He has been working for the Department for over 21 years and has over 25 years of experience as an engineer and a manager.

Prior to his recent appointment as Assistant Chief of the Engineering Bureau, Ken has held many other supervisory and management positions. He supervised the Board of Building and Safety Commission Staff, worked as the Zoning Engineer and worked as a plan check engineer for over 10 years plan checking many big projects. He designed and implemented many enhancements to improve the Department's customer service related to plan check procedures and policies. He also worked closely with other agencies to streamline permit approval process. Currently Ken is working on updating

all Information Bulletins, managing five plan check offices and supervising approximately 120 engineers and 30 support staff. Ken takes pride in finding a win-win solution in complicated matters and is always willing to help others.

Ken and his wife Tina have two wonderful children and are very active in physical fitness and enjoy Volleyball, Skiing, and Tennis.

DID YOU KNOW?

Our Parallel Design Permitting Process (PDPP) allows the design and permitting processes for major projects to run concurrently, where traditionally they were sequential (design was traditionally completed first followed by the permitting process). PDPP allows you to submit plans for plan check at the conceptual design phase. A PDPP/Plan Check engineer is assigned to the project to check the plans and provide code consultation services throughout the conceptual, schematic, and final design phases. When final drawings are completed, the building permit is ready to issue. PDPP shortens permitting time by six to 18 months.

If you have a project or client who you think could benefit from PDPP, please contact Colin Kumabe at colin.kumabe@lacity.org.

Our Mission Statement

The mission of the Department of Building and Safety is to protect the lives and safety of the residents and visitors of the City of Los Angeles and enhance the quality of life, housing, economic prosperity, and job creation. This is accomplished through advising, guiding, and assisting customers to achieve compliance with the Building, Zoning, Plumbing, Mechanical, Electrical, Disabled Access, Energy, and Green Codes; and local and State laws, through a timely, ethical, cooperative, and transparent process for the facilitation of construction and maintenance of commercial, industrial, and residential buildings throughout the City.

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